

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF TEXAS  
AUSTIN DIVISION**

<b>In re:</b>  <b>ROSENTHAL &amp; WATSON, P.C.,</b>  <i>Debtor.</i>	§ § § § §	<b>Case No. 14-10286-hcm</b>  <b>Chapter 7</b>
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**TRUSTEE’S MOTION TO ABANDON ESTATE PROPERTY**

**This pleading requests relief that may be adverse to your interests.**

**If no timely response is filed within twenty-one (21) days of service, the relief requested herein may be granted without a hearing being held.**

**A timely response is necessary for a hearing to be held.**

Ron Satija (the “Trustee”) files his *Motion to Abandon Estate Property* (“Motion”). In support, the Trustee shows:

**SUMMARY**

1. Rosenthal & Watson, P.C. (the “Debtor”) is a defunct personal injury law firm headquartered in Austin, Texas. In compliance with Texas Disciplinary Rules of Professional Conduct (the “Disciplinary Rules”), the Debtor maintains an IOLTA account (the “Account”) at Post Oak Bank, N.A. to hold funds, in trust, due to its clients and related third-parties. The Trustee requests the Court allow him to abandon the Account to the Debtor. The Account contains no funds due to the Debtor or the estate, and its continued operation serves no benefit to the estate. Accordingly, The Trustee requests an order from the Court allowing him to abandon the Account and all funds contained therein to the Debtor.

### PROCEDURAL HISTORY

2. On February 27, 2014 (the “Petition Date”), the Debtor filed its voluntary petition under chapter 7 of the United States Bankruptcy Code (the “Code”). Thereafter, the Trustee was appointed to administer this case.

### FACTS

3. The Account is maintained at Post Oak Bank, N.A., and bears account number xxxxxx0406. It currently contains \$196,540.52 in funds held for the benefit of the Debtor’s former clients and third-parties.

4. The Debtor’s principal, J. Lynn Watson, declares that no funds currently on deposit are due and owing to the estate. The affidavit of J. Lynn Watson is attached hereto as Exhibit “A” and incorporated herein by reference.

5. Persons and entities claiming an interest in the IOLTA account as of the date of this Motion (collectively, the “Claimants”) are identified on the list attached hereto as Exhibit “B” and incorporated herein by reference.

### APPLICABLE AUTHORITY

6. The Court, upon motion and a hearing, is authorized to allow the Trustee to abandon estate property that is either burdensome to the estate or of inconsequential value and benefit to the estate. 11 U.S.C. § 554(b); FED. R. BANKR. P. 6007(a); *see In re Beach Dev., LP*, No. 03-80223-G3-7 \*7 (Bankr. S.D. Tex. Aug. 10, 2010) (memo op.) (citing *In re K.C. Mach. & Tool Co.*, 816 F.2d 238 (6<sup>th</sup> Cir. 1987)).

7. The Trustee submits that the Account is both burdensome and of inconsequential value and benefit to the estate. First, the estate has no interest in any of the funds in the Account. *See* Ex. A, at 2, ¶5. Second, the Debtor is in a far better position than the Trustee to ensure that

the funds currently in the account are made available to the former clients and third parties entitled to them. Third, the Debtor is no longer in business as a law firm, and does not have a need to maintain an IOLTA account generally. Finally, the Account may contain “abandoned” property as defined in Texas Property Code § 72.101(a). Specifically, some of the funds in the Account are owed to the Debtor’s former clients who, based on information and belief, have not been in contact with the Debtor for three years or more. As a result, the estate would be required to marshal these abandoned funds, pay them over to the Texas Comptroller and comply with reporting and record retention requirements. These required actions are burdensome and would cause the estate to incur unwarranted expenses and liability.

Wherefore, Ron Satija prays the Court enter an order allowing him to abandon the Debtor’s IOLTA account (and all funds contained therein) to the Debtor. The Trustee also prays for all other relief to which he shows himself justly entitled.

**BARTLETT & SCHOBEN, PC.**

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/s/ MATTHEW J. WAGNER

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State Bar No. 24004907  
Matthew J. Wagner  
State Bar No. 24075232  
*Counsel to Chapter 7 Trustee*

### **CERTIFICATE OF SERVICE**

The undersigned certifies that a true and correct copy of the preceding was served to all parties requesting notice via the Court's CM/ECF and via U.S. Mail as provide below on August 19, 2014.

*Via U.S. Mail*

Rosenthal & Watson, P.C.  
PO Box 201658  
Austin, Texas 78720  
*Debtor*

*Via CM/ECF*

United States Trustee  
903 San Jacinto Blvd. Ste. 203  
Austin, Texas 78701  
*United States Trustee*

*Via CM/ECF*

Richard Hoffman  
611 S. Congress, Ste. 210  
Austin, Texas 78704  
*Counsel for Debtor*

*Via U.S. Mail*

Attached Service List

/s/ MATTHEW J. WAGNER

Matthew J. Wagner